

# **State of Alaska FY2003 Governor's Operating Budget**

## **Department of Transportation/Public Facilities Regional Support Services Budget Request Unit Budget Summary**

## **Regional Support Services Budget Request Unit**

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### **BRU Mission**

The mission of the Regional Support Services BRU is to provide leadership and accountability of regional activities and to support regional operations with quality procurement, current information technology and budgetary services.

### **BRU Services Provided**

- The Regional Director's offices provide management oversight of all functions of the organization and act as liaison between divisions and between the department and other agencies and the public.
- Provide management support and budget coordination to all operating divisions in each region, with additional support to regional staff of Headquarters and Statewide divisions and the International Airports.
  - The Procurement Office is responsible for the purchase and delivery of supplies, equipment and services as well as property control.

### **BRU Goals and Strategies**

Lead the development and maintenance of transportation systems that effectively move people and goods throughout each region.

Develop consensus within the regional communities regarding transportation needs.

- Prioritize funding requests to optimize the use of public resources.
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Continue reliable service with reduced general fund resources.

Make use of technological changes to generate more efficient operations.

- Continually review operational organization and workflow for enhanced performance.
- Use competition between commodity suppliers to generate cost savings.
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Provide effective administration, accurate budgeting, and efficient procurement.

Provide point of contact for the general public, local government, other agencies, the Commissioner's Office and the

- Legislature concerning regional operations and policy.
- Support the functions of Maintenance and Operations, Design, Construction, Planning, Technology Transfer, and Research by accurate accounting, analysis and reporting of budget, expenditures and revenue.

Procure and deliver requested supplies, equipment, and services promptly and in accordance with purchasing laws and regulations by implementing automated Buyspeed purchasing system.

### **Key BRU Issues for FY2002 – 2003**

- During this period of increasing federal programs and no comparable growth in support functions, increased technology is being aggressively pursued to enhance efficiency. Systems that rely on information can indeed benefit from technological solutions.
- The already significant deferred maintenance backlog will continue to grow unless a plan is implemented to curb the backlog.
- Increased costs and demands on the Alaska Marine Highway System require additional funding to maintain the level of service the public expects. A strategy for funding the AMHS is needed for long term planning.
- To make our procurement process more efficient employees will be able to request goods and services through an Intranet system. This will eliminate the double entry of requests and make for a more prompt and accountable system.
- The implementation of the SE Alaska Transportation Plan continues to be of paramount importance over the next several years as significant resources will be used to design and construct the infrastructure for improved movement of people and commodities throughout the region. Decisive management and articulate leadership are essential to successfully implement this plan.

## Major BRU Accomplishments in 2001

- Implementation of SE Alaska Transportation Plan is on track. The plan encompasses construction of new roads, ferries, and terminals to enhance transportation in SE Alaska. As part of the plan, an RFP was developed for the first fast vehicle ferry in Alaska.
- Improved budgeting accuracy and efficiency utilizing the Alaska Budgeting System (ABS).
- The department is streamlining the procurement process so that goods and services continue to be provided efficiently and according to all state, federal and local guidelines despite reduced budgets. This has resulted in the department transitioning to more efficient computerized systems such as Procurement Cards at some initial cost and loss of productivity, for an ultimate increase in procurement efficiency.
- The final installation of the equipment for the data communication portion of the Vessel Communications Project was completed. This collaborative effort between headquarters and regional staff created the wireless bridge. The wireless bridge supports all types of computer communication such as e-mail, and financial information between administrative offices in Juneau and the AMHS vessels.
- Implementation of SE Alaska Transportation Plan continued which involves the construction of new roads, ferries, and terminals to enhance transportation in SE Alaska. As part of the plan, developed RFP for the first fast vehicle ferry in Alaska. Created newsletters and a web-site to assure public involvement in the continued implementation of the Plan.
- Completed comprehensive pricing and marketing study of Alaska Marine Highway System. This will serve as a guide to pricing and marketing decisions in the future.
- Implemented vessel communication project, which allows AMHS vessels to have e-mail capabilities and transfer data between ship and shore. This allows improvement in training, safety, financial and management systems aboard the vessels.
- Successfully completed Y2K remediation both on the AMHS vessels and in shoreside facilities. This involved the replacement of 80 computer workstations and upgraded software.

## Key Performance Measures for FY2003

### Measure:

How long it takes to process a purchase request before the order is placed.

Sec 142(b)(2) Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:

The Department converted to an automated purchasing program in January 2001. Information for this measure is incomplete and only represents estimated activity of small procurements under \$50,000. A full year of data will be available next year. Since January, Northern Region has identified an average of 2.91 days and Central Region has estimated an average of 7.66 days to process a purchase request. Southeast Region information is being reviewed.

### Benchmark Comparisons:

There currently is no known benchmark established for government or private industry.

### Background and Strategies:

The amount of time it takes to process a purchase order varies widely due to their complexity and required methods of procurement based on the dollar value of the items. The statutory factors that impact performance measures when procuring commodities and services for the State of Alaska include:

- "Reasonable and adequate" competition is required at \$5,000 or less. This involves contacting one or more vendors as appropriate under the circumstances.
- At least three verbal quotations are required between \$5,000 and \$25,000; however, there is clearly a preference to obtain written quotes for purposes of clarity and conformance to specifications.
- The written Request for Quotation (RFQ) process is required between \$25,000 and \$50,000. The RFQ includes issuance of the State's standard terms and conditions and written bid responses from vendors.
- The formal Invitation to Bid (ITB) process is required at \$50,000 and above which includes formulating specifications, advertising the State's requirements in at least 3 publications, allowing 21 days for bid circulation and a 10 day protest period prior to award of a contract.

Generally, procurement processing time increases with the monetary value and/or complexity of the particular item being purchased. Consequently, it is difficult to accurately measure and set performance standards with regard to procurement. Additionally, Alaska's geographic remoteness affects communication, approval processes, and delivery issues because of inclement weather conditions, vessels that are underway, and changing crews.

The Department procurement offices are collecting data using Buyspeed procurement software. The Department of Transportation established Buyspeed as the standard software for procurement for all regions. The data being collected will be evaluated and may be compared to other industry standards.

The implementation of Buyspeed allows for more efficient processing of stock requests and tracking subsequent purchases. The implementation of this system has reduced the amount of time it takes for a faxed or mailed copy of a requisition to be received. Additionally, duplicate data entry is eliminated which will further reduce the average number of days to issue a Purchase Order. Further efficiencies in processing stock request will be obtained with monitoring of problem orders and addressing individual issues. Refinements are being made to the system to break out timeframes for purchases at the various dollar levels and to develop appropriate tracking and reporting methods.

**Regional Support Services**  
**BRU Financial Summary by Component**

*All dollars in thousands*

	General Funds	FY2001 Actuals Federal Funds	Other Funds	Total Funds	General Funds	FY2002 Authorized Federal Funds	Other Funds	Total Funds	General Funds	FY2003 Governor Federal Funds	Other Funds	Total Funds
<b><u>Formula</u></b>												
<b><u>Expenditures</u></b>												
None.												
<b><u>Non-Formula</u></b>												
<b><u>Expenditures</u></b>												
Central Support Svcs	651.0	0.0	164.9	815.9	700.6	0.0	121.1	821.7	719.4	0.0	124.6	844.0
Northern Support Services	748.5	0.0	362.5	1,111.0	778.1	0.0	297.9	1,076.0	800.3	0.0	307.6	1,107.9
Southeast Support Services	377.2	0.0	1,724.0	2,101.2	436.0	0.0	1,705.5	2,141.5	449.8	0.0	1,747.3	2,197.1
<b>Totals</b>	<b>1,776.7</b>	<b>0.0</b>	<b>2,251.4</b>	<b>4,028.1</b>	<b>1,914.7</b>	<b>0.0</b>	<b>2,124.5</b>	<b>4,039.2</b>	<b>1,969.5</b>	<b>0.0</b>	<b>2,179.5</b>	<b>4,149.0</b>

**Regional Support Services**

**Proposed Changes in Levels of Service for FY2003**

None.

**Regional Support Services**

**Summary of BRU Budget Changes by Component**

**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>1,914.7</b>	<b>0.0</b>	<b>2,124.5</b>	<b>4,039.2</b>
<b>Adjustments which will continue current level of service:</b>				
-Central Support Svcs	18.8	0.0	3.5	22.3
-Northern Support Services	22.2	0.0	9.7	31.9
-Southeast Support Services	13.8	0.0	41.8	55.6
<b>FY2003 Governor</b>	<b>1,969.5</b>	<b>0.0</b>	<b>2,179.5</b>	<b>4,149.0</b>